



**Collaboration for the Advancement of Chiropractic
Key Considerations of The New Health Care Landscape
White Paper
September, 2009**

The health care marketplace is changing. Regardless of the outcome of the broader discussion concerning delivery structures (public option, cooperatives, etc.) the fundamental focus of the system is now being changed toward access, cost, quality, value, and prevention as key considerations for designing the health care system of the future.

While the final structure of the system remains unknown, the Collaboration for the Advancement of Chiropractic (CAC) agrees that reforming our current system is necessary, the focus needs to be changed, and the chiropractic profession can potentially play a more significant role than it ever has before. CAC supports and endorses all of the concepts presented in “A Path to Change in the US Healthcare System; A Chiropractic Perspective” published jointly by the American Chiropractic Association (ACA), Association of Chiropractic Colleges (ACC), Congress of Chiropractic State Associations (COSCA), and International Chiropractors Association (ICA) as the foundation of the requirements necessary for a truly reformed health care system.

The following is a summary of CAC’s views of some of the key components of health care reform landscape. It then provides thoughts concerning the opportunities that may be developing and obstacles that may currently exist in transitioning the practice of chiropractic from the system we had to the one that is evolving. We are hopeful this information can be used to assist the profession, professional organizations, and individual chiropractors to recognize the marketplace changes and establish appropriate strategies to assure continued growth in the future.

1. The Health Care Market Has Already Changed- And Will Continue To Change

Observers of the history of our health care evolution are not surprised with the mess we find ourselves in today. With the exception of introducing Medicare and Medicaid in the 1960s, our system is the result of years of “tinkering around the edges” and patching together approaches to address the individual issues of stakeholders creating the costly and fragmented delivery structure we have today.

We have finally recognized that addressing health care is not only a social issue, but a key component of the economic stability of the country. Health care consumes over 18% of our GDP and will only increase further with the path we are taking today. We cannot afford to wait any longer. The current system is economically unsustainable and needs to change.

While the final details of the legislative and political efforts are unknown at this point, it is clear that the new system will be one that is focused (as presented in A Path To Change) on access, cost, and quality. We would add that we also believe the concepts of value and wellness/prevention will be key drivers in the health care system that is evolving.

This change in focus will change the dynamics of the marketplace regardless of the legislative outcome. The system will be moving from one of fee-schedules, benefit limits, and transactions- to one of value, efficiency, and integration.

2. Relationships and Business Models Are Also Changing

Today's relationships in health care are highly "transactional". Health plans negotiate with providers for fees that many times are unrelated to costs. Employers negotiate individually with health plans to establish benefit plans acceptable to employees and within the limits of their financial resources. And, providers themselves may or may not have established relationships to coordinate the care and treatment of the patient.

The health care system that is evolving will change these relationships and require improved communication, interaction, and dialogue. The relationships will change from ones based only on cost, to ones that are based on cost and value. Delivery and business models will begin to evolve that will attempt to correct the inefficiencies that exist today by coordinating care more effectively for the patient (Health Home, Accountable Health Organization, Integrative Health) requiring a new level of communication, integration, and interaction than has ever existed between stakeholders before. And, roles and responsibilities for providing consumers access and entry in the health care system will be changing to include lower-cost, options than existed before (DC, LPN, PA, etc.)

3. Communication and Transparency Will Become The Norm (Electronically)

It is clear that one of the components of health care reform that will not go away is the focus to update the technological infrastructure existing in the system today. Electronic record-keeping, clinical documentation and other functions will become the norm to not only store patient information, but to communicate effectively within the system itself.

4. It Will All Boil Down To Value; Fee-For-Service Will Go Away Eventually

The concept of "value" has many definitions whether looking at it from an economic, psychological, or sociological perspective. In health care, the concept of value is simply defined as the difference between "benefits received vs. the cost of providing". No longer will the focus be placed solely on the "cost of providing" side of the equation. The health care system will look closely at outcomes/results, patient satisfaction, and other indicators to determine the value received for providing services in addition to the cost of providing the service itself. Those that demonstrate value will be included and those that don't, won't.

The current reimbursement and payment structure (fee-for-service) is not sustainable and the system will look more closely at alternative payment methods. Care Packages, bundles, or other "risk-sharing arrangements" will be introduced to change the system from "paying for the services delivered, to paying for the value received".

5. Comparative Effectiveness Will Be A Reality

The health care system that is evolving will increase its efforts on "proving" the best course of treatment for particular health care situations. Maintaining meaningful clinical documentation, supporting best-practice/evidence-based initiatives, and expanding value-based research projects will become a more critical responsibility of all health care participants as the system attempts to eliminate unnecessary or non-productive services and procedures.

6. The Focus on Health/Wellness/Prevention Will Increase

The health care system has finally realized that a significant portion of the costs paid today can be directly tied to the lifestyles we lead. While our existing system has evolved into a “sickness system” it will now attempt to place more emphasis on health, wellness, and prevention in an attempt to avoid the costs of many chronic conditions down-the-road. However, the concept of “Health, Wellness, and Prevention” has traditionally focused on identifying and targeting patients with identified risk factors. The system of the future will attempt to address individuals at an earlier stage-before they develop risk factors in the first place and include consideration of maintaining the quality-of-life as opposed to simply sustaining it.

7. Consumers Will Have A New Role

When asked, most consumers have no real understanding of the health care system or how it really operates. Our historical model has typically kept the individual patient or consumer insulated from the transactional details. However, with the increase in cost-shifting (from employer to employee) that has occurred, individuals are now financially responsible for many of the costs previously covered under a private or public program.

The new health care system will place even more responsibilities on the individual. In addition to an increased role in payment for services the consumer will also become more responsible for their personal health and in navigating the system to receive care. Individuals will be expecting more information to substantiate the “value” of the services received and will be searching for outcomes, satisfaction, and other information to evaluate the effectiveness of the care for themselves and their families.

8. Understanding the Changing Market Dynamics Will Be More Important (For All Involved)

With all of the subtle (and not so subtle) changes occurring every day within the health care landscape it will be critical to maintain a general understanding of the evolving realities. The strategies and the approaches that may have been successful in the past may require a change in thinking. Business models that were appropriate in the 80’s and 90’s may require adjustments to reflect the realities of 2009 and beyond.

Health plans will be adjusting by seeking more care integration and coordination, assessing value of services provided, and eliminating inefficiencies when they can. Employers and Public Plans will look for any options to eliminate unnecessary services that add to their costs. Consumers will be taking on a new role with much more accountability and responsibility. Providers will become more electronically connected and will begin working together in a much more integrated fashion than in the past in coordinating care delivery. And, the government will have a larger role in the delivery of health care in our country, regardless of the outcome of the health care debate.

Implications For The Chiropractic Profession

When confronting the reality of the changing health care system it is important for all stakeholders to assess where they are today in order to determine the appropriate strategies needed to participate in the in the future. CAC believes the chiropractic profession can and should play a more instrumental role in health care system, but it will require adjusting approaches, business models, or strategies used in the past.

While the health care industry has significantly discounted the “price” of chiropractic services through its contracting methods, it will now be looking for chiropractic to document its value, its outcomes, its best-practice methods, and other indicators for participation in the future. The determination of the “value of chiropractic” may be a critical strategy to adjust reimbursement levels to more reasonable levels through more baskets-of-care, risk-sharing, or other methods. Arguing for increased fees without documentation and proof of the value provided will be even more difficult in the time ahead.

The chiropractic profession will also be expected to participate in the electronic exchange of information with health plans, employers, third-party payers, other care providers, and government entities through the establishment of Electronic Medical Records for their patients. While there is some lack of consistency in the technology requirements at this point, chiropractors should begin to look at the strategy they want to implement to stay ahead of the curve. Electronic communication will be required eventually.

The profession should use the research it has already completed and continue to initiate new research projects to support the “value” chiropractic provides to the delivery system as a whole. This will not only include the execution of new research initiatives, but packaging and communicating the results throughout the health care system itself. Chiropractic delivery will be expected to participate in Comparative Research initiatives, and ongoing research will be required to communicate outcomes, results, and value to the broader market. By coordinating EMR and other technology initiatives with data-collection processes for chiropractic research, the profession may uncover new opportunities to demonstrate its value to multiple stakeholders.

The health care system will be expecting chiropractic to work more closely with other care providers than in the past. Here, there is an opportunity for chiropractic to establish itself as a “portal of entry” for consumers. But, this will require chiropractors to work closely with other providers and establish the appropriate communication links to coordinate patient care delivery. Chiropractic should also be a key participant in any Health Home, Medical Home, Accountable Health Plan, or other delivery method that evolves. Over the last decade chiropractors have provided examples of their ability to successfully participate as members of health care teams, e.g. Olympics, professional sports, Veterans Administration. As the health care evolution progresses, it is time for the chiropractic profession to fully-participate in the efforts to coordinate care effectively for patients in the various business and delivery models that will emerge.